

# NEWSALERT



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☎ 562-758-3482 | ✉ kpt@ktaylorinsurance.com | 🌐 www.ktaylorinsurance.com

Homeowners' Risks

## The Liabilities Lurking in Your Backyard

THERE IS something especially enjoyable about your kids having friends over to go swimming in your backyard pool or play on a swing set or monkey bars. But sometimes the fun is interrupted by an injury and that's when a homeowner must worry, as it could result in a costly lawsuit.

The fact is, many items in your backyard, especially recreational equipment, are also a liability since you can be held legally liable for injuries sustained by guests on your property.

Here's a look at the most common backyard items that can be a liability, and how to protect your guests and your finances in case someone is injured.

### Swimming pools and hot tubs

Pools are classified as "attractive nuisances," meaning they pose a serious risk to children who may be drawn to them unsupervised. Drowning is the leading cause of unintentional death for children ages 1 to 4.

**How to reduce risk:** Install a fence at least 4 feet high with a self-latching gate. For above-ground pools, remove or lock the ladder when not in use. Pool covers and motion alarms add an extra layer of protection.

### Trampolines

Trampolines send more than 100,000 kids to emergency rooms every year. Broken bones, head injuries and spinal trauma are some of the most common injuries.

**How to reduce risk:** Use safety netting around the perimeter. Supervise children at all times, follow age and weight restrictions and remove access ladders when not in use.

### Swing sets and monkey bars

Kids falling from playground equipment can break bones or sustain other injuries, especially when the structure is built over hard surfaces.

**How to reduce risk:** Anchor equipment securely and install shock-absorbing material underneath, such as mulch, rubber tiles or wood chips. Regularly inspect for loose bolts or worn parts.

### Treehouses

Treehouses often lack secure access points and can be built on unstable limbs. Falls from even moderate heights can result in serious injury.

**How to reduce risk:** Take down ladders when a parent is not around or can't supervise play. Regularly check structural integrity. Avoid building them higher than 10 feet off the ground.

### Fire pits and grills

Fire and hot surfaces pose obvious dangers, especially to young children. Burns and accidental fires are common.

**How to reduce risk:** When using a fire pit, never leave flames unattended. Maintain a safe perimeter and keep children at a distance.

### Your insurance

Homeowner's insurance typically includes personal liability coverage, but not all backyard items are treated equally by insurers.

See 'Trampolines' on page 2



# The Growing Danger of Uninsured Flood Claims

THE DEVASTATING floods that hit Texas in July 2025 and the massive flooding in North Carolina a few months earlier are a sobering reminder that floods can happen suddenly, with little warning, and increasingly in areas not designated as flood zones. The same is true in California.

As climate change fuels more intense storms, longer rainy seasons and unprecedented weather patterns, flooding is no longer confined to the coasts or riverbanks.

Urban sprawl, strained drainage systems and increased rainfall have made inland flooding a growing threat.

Besides the devastating personal effects, floods can be a financial blow for people who live outside a flood zone and didn't purchase flood insurance because it wasn't required by their lender. Sadly, many people in that situation find that their homeowner's insurance policy excludes damage caused by flooding, and they are left to pay those costs themselves.

Just a few inches of floodwater can cause tens of thousands of dollars in damage, ruining flooring, drywall, appliances, furniture and irreplaceable personal belongings.

According to the Federal Emergency Management Agency, roughly 30% of flood insurance claims come from properties located outside designated high-risk flood zones. That number is even more alarming when you consider how few homeowners in those areas carry flood insurance.

## Flood insurance options: NFIP vs. private market

While FEMA's flood maps are widely used, they are not perfect. Many are outdated and may not reflect recent or expected future changes in weather patterns, land use or infrastructure. This has led to a growing number of surprise flood events in moderate- and low-risk areas, catching residents off guard and financially unprepared.

It has also spurred more homeowners in those areas to purchase coverage. Since they are in lower-risk areas, their premiums are typically lower than those for people who live in flood plains.

If you buy a home in a FEMA-designated high-risk flood zone and you take out a mortgage from a federally regulated lender, you are required to purchase flood insurance. However, those living outside flood zones are not required to purchase coverage.

Flood insurance is available through two main channels, both of which we can help you with:

**The National Flood Insurance Program** – Managed by FEMA, this federally backed program offers up to \$250,000 in dwelling coverage and \$100,000 in personal property coverage.

**Private flood insurance** – Some insurers offer higher coverage limits, replacement cost for personal property and additional protections not available through the NFIP. In some cases, private flood insurance may be more competitively priced, especially for homes in low- to moderate-risk areas.



*Continued from page 1*

## Trampolines and Pools May Trigger Higher Premiums

For example, trampolines and pools often trigger higher premiums or special conditions. Some insurers may deny coverage outright unless specific safety measures, like fencing, are in place. Ziplines, treehouses and large play structures may also prompt restrictions or require disclosure to your insurance carrier.

Most homeowner's policies include \$100,000 to \$500,000 in liability coverage, but this may not be enough for a serious injury.

You can boost your protection by adding umbrella insurance, which kicks in if you exceed your homeowner's insurance liability maximum as a result of a claim or lawsuit. Policies are typically purchased in \$1 million increments.

One last tip: Before installing or using backyard recreational items, check with us to ensure you're adequately covered and in compliance with your policy's safety requirements.

# Premiums Climb as Legal Risks, Costs Mount

UMBRELLA INSURANCE, once a relatively inexpensive way for homeowners to add an extra layer of liability protection, is rapidly becoming more costly.

As jury awards grow larger and medical expenses rise, insurers are increasing rates, tightening underwriting and, in some cases, pulling back from the California market entirely.

Premiums that once averaged \$200-\$300 a year for \$1 million in coverage have risen sharply. Some policyholders are seeing rate hikes of 30% to 50% at renewal, particularly for households with teen drivers, swimming pools or other attributes deemed risky.

## The rising cost of claims

Most umbrella claims stem from severe car crashes or serious injuries on personal property. When the cost of a claim exceeds the liability limit on an auto or homeowner's policy, the umbrella policy pays the remainder, often starting at \$1 million in additional coverage.

But insurers are contending with more frequent and more expensive claims.

## Cost drivers

**Medical inflation:** Higher medical costs mean even moderate injuries can lead to six-figure settlements or jury awards.

**Distracted driving:** Vehicle-crash deaths from distracted driving have exploded since the advent of the smartphone. At fault drivers are often sued.

**"Nuclear" verdicts:** More jury awards are exceeding \$10 million.

**Legal escalation:** A rising share of liability claims now involve attorneys, which tends to prolong the claim and increase settlement amounts.

**California-specific legal risks:** The state's legal environment, including its lack of caps on non-economic damages and jury pools that often favor plaintiffs, makes large verdicts more common.

## How insurers are responding

- **Higher rates:** Carriers are filing for substantial premium increases with state regulators. State Farm, for instance, has requested two major rate hikes for its personal umbrella program in less than six months, totaling a 68% increase.
- **Stricter underwriting:** Coverage is getting harder to obtain for households with multiple drivers, teen drivers, swimming pools, high-net-worth exposures, or properties with risky features like trampolines or docks. Applicants with prior claims may face additional scrutiny or be denied coverage.
- **Higher primary policy limits:** Insurers are increasingly requiring that umbrella applicants carry higher limits on their underlying home and auto policies.
- **Reduced availability:** Some carriers are exiting the California umbrella market altogether or limiting the maximum coverage they will offer.

## Umbrella coverage still important

Despite the rising costs, umbrella insurance remains a critical tool for protecting against major liability claims.

Like the underlying auto or homeowner's policy, umbrella coverage can help cover the cost of liability claims, including legal expenses such as:

- Court judgments
- Settlements
- Attorneys' fees
- Related court costs

We can help you explore:

**Review all liability limits:** Make sure your auto and home policies meet the minimum requirements to qualify for umbrella coverage.

**Bundle policies:** If possible, placing your auto, homeowner's and umbrella policies with one insurer may improve your chances of securing or maintaining coverage.



# Will Your Policy Cover Your Stuff in a Storage Facility?

AMERICANS ARE increasingly renting space in self-storage facilities to keep excess belongings that they don't have room for at home.

These spaces offer a convenient way to keep your possessions safe, but once in a while things can go wrong and your items can be damaged by fire, water or vandalism, and sometimes thieves abscond with your goods. If that happens, will your homeowner's or renter's insurance cover the loss?

These policies include off-premises coverage, which applies to belongings in storage. However, off-site coverage is typically limited to 10% of your personal property coverage amount, which is often about 50% to 70% of your dwelling's property damage limits.

In other words, if you keep a lot of expensive items in your storage unit, your insurance may not be enough to cover a total loss. Fortunately, there are ways to insure your stored belongings.

## Other options

Your policy may cap payouts for high-value items like jewelry or artwork. For example, if artwork worth \$3,000 is stolen from your storage unit and your limit for high-value items is only \$1,500, your insurance won't fully cover the artwork's value.

You can get additional coverage for these items by adding scheduled personal property coverage to your homeowner's policy, which will list specific items subject to higher limits. This will cover the full value of your belongings with no deductible, but you must pay extra for the coverage. Your insurer will likely request receipts and appraisals for the items you want to insure with this type of coverage.

Another option is to increase the personal property coverage limit of your off-premises coverage in your homeowner's insurance policy, which would also raise your premium.

Finally, there is storage unit insurance. This type of coverage will typically mimic what your homeowner's policy will cover, so if you have the latter, you will not need this coverage. That said, some storage unit policies may cover damage caused by earthquakes or floods.

## How to protect your belongings

It's best to avoid damage or theft to begin with. Fortunately, there are steps you can take to protect your belongings:

**Safeguard the key** – Secure your storage key to prevent theft. Lock or hide it somewhere only you know. If you give it to someone else, make sure you trust them completely.

**Choose a unit on a higher level** – Since homeowner's insurance won't cover floods, choose an elevated unit if possible, especially when you have water-sensitive items.


**Ensure proper packing** – Organized, properly packed items are easier to track. Categorize items in boxes and close them securely. This way, you'll notice if someone has opened them without permission.

## The takeaway

If possible, talk to us before signing a contract to rent a storage unit and placing items in it. Consider a climate-controlled facility to deter dampness, which can damage furniture and appliances.

The property should be fenced, have controlled access and include 24-hour video surveillance cameras and security pads. Also, consider asking the facility about its fire or flood procedures and how it takes measures to exterminate pests.

Keep an inventory of items in the storage unit and take pictures of the stored belongings. There are even apps for such purposes. Finally, use durable packing materials like strong cardboard boxes, and seal boxes tightly to keep moisture out.



If you have any questions regarding any of these articles or have a coverage question, please contact your broker at:

15068 Rosecrans Ave. Suite 114  
La Mirada, California 90638

Phone: (562) 758-3482  
E-mail: [kpt@ktaylorinsurance.com](mailto:kpt@ktaylorinsurance.com)  
[www.ktaylorinsurance.com](http://www.ktaylorinsurance.com)